

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:

Alpha Bioenergy, LLC
5515 Pebbleshire Road
Bloomfield, Michigan

ATTENTION:

Chandra Yarlagadda
President

Request for Information Under Section 114(a) of the Clean Air Act, 42 U.S.C. § 7414(a)

The United States Environmental Protection Agency hereby requires Alpha Bioenergy, LLC (Alpha or you), to submit certain information as part of an EPA investigation to determine your compliance with Section 211 of the Clean Air Act (CAA), 42 U.S.C. § 7545, the renewable fuels standard program set forth at 40 C.F.R. Part 80, Subparts K and M (RFS program) and your ability to pay a penalty under the CAA. Appendix A provides instructions for your response to this request, Appendix B provides definitions, and Appendix C specifies the information that you must submit, Appendix D describes the requirements associated with asserting claims of confidential business information. You must submit this information to us within thirty calendar days from the date of your receipt of this request. Please note that if additional information responsive to this request is identified, found, or located by Alpha following your response to this request, you are required to submit all such material within thirty calendar days of discovery.

We issue this information request under Section 114(a) of the CAA, 42 U.S.C. § 7414(a).

Under Section 114(a), the Administrator of EPA may require any person who is subject to the CAA to provide information necessary to determine whether the person has acted in compliance with Section 211 of the CAA, 42 U.S.C. § 7545, and the regulations promulgated thereunder. The Administrator has delegated this authority to the Director of the Air Enforcement Division in the Office of Enforcement and Compliance Assurance.

Failure to provide the required information may result in the initiation of an enforcement action pursuant to Section 113 of the CAA, 42 U.S.C. § 7413. Failure to provide all requested information in its entirety, and in the format requested, may result in additional inquiries. It is important that your responses be clear, accurate, and complete. The EPA will regard the submission of information that is misleading, false, incomplete, or submitted without regard to its accuracy as a violation of the CAA.

Alpha must submit all requested information under an authorized signature with the following certification:

I certify under penalty of law that I have examined and am familiar with the information in the enclosed documents, including all attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are, to the best of my knowledge and belief, true and complete. I am aware that there are significant penalties for knowingly submitting false statements and information, including the possibility of fines or imprisonment pursuant to Section 113(c)(2) of the Clean Air Act, and 18 U.S.C. §§ 1001 and 1341.

The EPA may use any information submitted in response to this request in an administrative, civil, or criminal action.

You are entitled to assert a business confidentiality claim covering all or part of the information you submit in response to this request, in accordance with the procedures described in the confidentiality of business information (CBI) regulations, 40 C.F.R. Part 2, Subpart B. However, no such CBI claim may be made with respect to emissions data as defined at 40 C.F.R.

§ 2.301(a)(2). You must specify the page, paragraph, and sentence when identifying the information subject to your claim. Appendix D specifies the assertion and substantiation requirements for business confidentiality claims. The EPA may, without further notice, provide the public with any information not subject to a CBI claim.

Alpha must send all communication and required information to:

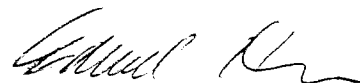
Attn: Compliance Tracker, AE-17J
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency
Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

and electronically to Greg Gehrig at gehrig.greg@epa.gov and Nicole Cantello at cantello.nicole@epa.gov.

This information request is exempt from the Paperwork Reduction Act.

You should direct any questions about this information request to Nicole Cantello at cantello.nicole@epa.gov or (312) 886-2870.

8/17/16
Date



Edward Nam
Acting Director
Air and Radiation Division

Appendix A

Instructions

1. Provide a response to each request. For any narrative responses, respond in English, in written document form.
2. For each answer and document produced, provide the number of the question to which it responds and identify each person who provided information that was used to prepare that answer.
3. If applicable, please note on the top of the first page of each document the citation to the related fuels regulation(s) (e.g., put 40 C.F.R. § 80.1454(a)(1) on the top of the first page of each product transfer document).
4. When a response is provided in the form of a number, specify the units of measure of the number in a precise manner.
5. Where a document or information necessary for a response is neither in your possession nor available to you, indicate in your response why such document or information is not available or in your possession and identify who either possesses or is likely to possess such information.
6. All submitted documents should be copies and not original documents.
7. Where Alpha has previously submitted information to EPA requested herein, re-submit the information in the format requested. Identify the material that was previously provided, the date on which it was provided, how the information was provided (e.g. electronically, fax, mail), and the person at EPA to whom it was provided.
8. To aid in our electronic record keeping efforts, please provide two copies of your response to this request in electronic form. Please provide the certification statement in hard copy form with the two electronic copies of your response. Where spreadsheets are responsive to a request produce them in unlocked electronic spreadsheet format, such as .xls or .csv (locked spreadsheets and .pdf files are unacceptable). Please contact Greg Gehrig via electronic mail if providing the information electronically will be an issue.

Appendix B

Definitions

1. All terms used in this information request will have their ordinary meaning unless such terms are defined in the Clean Air Act (CAA), 42 U.S.C. § 7401 *et seq.*, or the implementing fuels regulations at 40 C.F.R. Part 80.
2. “Affiliate” is used to indicate a relationship to a specified person, and means any person that, directly or indirectly or through one or more intermediaries, controls, is controlled by or is under common control with such person. As used in this definition, the term “control” means direct or indirect ownership or voting control of 50% or more of the equity or voting securities of the person in question or having the power, by contract or otherwise, to elect or appoint a majority of the board of directors (or similar governing body or individuals) of the person in question, or otherwise direct the business affairs of such person.
3. The terms “document” and “documents” means any object that records, stores, or presents information, and includes writings, memoranda, records, or information of any kind, formal or informal, whether wholly or partially handwritten or typed, whether in computer format, memory, or storage device, or in hardcopy, including any form or format of these. If in computer format or memory, each such document shall be provided in translation to a form useable and readable by EPA, with all necessary documentation and support. All documents in hard copy shall also include attachments to or enclosures with any document.
4. The term “person” includes an individual, corporation, partnership, limited liability company, sole proprietorship, or any formal or informal entity, organization, or association.
5. The term “export” means to transfer a product from a location within the contiguous 48 United States or Hawaii to a location outside the contiguous 48 United States and Hawaii.
6. “Alpha” means Alpha Bioenergy, LLC; Alpha; and all of its affiliates, predecessors, successors, and assigns. Affiliates include (i) entities owning any portion of Alpha Bioenergy, LLC directly or indirectly, (ii) entities owned in whole or in part by Alpha Bioenergy, LLC directly or indirectly, (iii) entities with substantially the same legal or beneficial ownership as Alpha Bioenergy, LLC and (iv) entities directed or managed by persons who are either themselves directors, managers, members or officers of Alpha Bioenergy, LLC or who are related to directors, managers, members or officers of Alpha Bioenergy, LLC.

Appendix C

Information Request

Alpha must submit the following information to the EPA, pursuant to Section 114(a) of the CAA, 42 U.S.C. § 7414(a), within thirty calendar days from the date of this request.

1. Please briefly describe the nature of Alpha's business (i.e., products, customers, approximate number of employees) over the five most recent years.
2. Please state whether Alpha continues, as of the date of its response to this information request, to be involved in any business relating to the buying or selling renewable fuels or renewable fuel identification numbers.
 - A. If the answer to the foregoing is "no," please explain when Alpha Bioenergy, LLC ceased its involvement with renewable fuels or renewable fuel identification numbers and explain why.
 - B. If the answer to the foregoing is "yes," please briefly describe the nature of Alpha's business (i.e., products, customers, approximate number of employees) outlook over the next five years
3. Please identify the states in which Alpha is registered to conduct business and the states where it conducts business.
4. Provide audited financial statements for Alpha for the five most recent years, including balance sheets, income statements, statements of cash flows, notes, and auditor's opinions. If audited statements are not prepared for any year, unaudited statements are acceptable. Note that if audited statements are not yet available for the most recent fiscal year, financial statements for internal purposes are acceptable. If any statements for any year are prepared on a consolidated basis, provide copies of all consolidating schedules.
5. Please provide financial statements (income statement, statement of cash flows, balance sheets) showing Alpha's monthly and year-to-date results for each month, starting with the most recent month available (e.g., March 2016) and including the most recent full fiscal year. If the statements are prepared on a consolidated basis, provide copies of all consolidating schedules.
6. For each debt agreement (e.g., line of credit, loan) held by Alpha either as debtor or creditor:
 - a. Provide a term sheet (if available);
 - b. Provide a copy of the agreement, complete with all schedules, attachments, exhibits, and updates;
 - c. If a written agreement does not exist for a particular debt agreement (e.g., one with an affiliate), provide a description of all material terms of the agreement (e.g., date of agreement, term of debt, identity of lender, identity of borrower, principal, interest, repayment schedule, collateral and/or guarantees, covenants, late payment provisions);
 - d. Provide the amount of the debt incurred at the end of each month through the most current month for which information is available; and

- e. If a particular agreement specifies negative covenants (e.g., threshold levels for certain financial ratios, operational covenants regarding the conduct of business), summarize the covenant and provide the value of covenant at the end of each month through the most current month for which information is available.
7. For each guarantee made by Alpha on behalf of an affiliate or on behalf of Alpha by an affiliate:
 - a. Provide a general description of the purpose of the guarantee, the identity of the guarantor, and the identity of the entity for which the guarantee is provided;
 - b. Provide signed copies of each agreement, complete with all schedules, attachments, exhibits, and updates; and
 - c. If a written agreement does not exist, please describe all material terms of each agreement (e.g., nature of the agreement, date of agreement, term of agreement, identity of seller/lender, identity of buyer/borrower, circumstances under which performance of guarantee can be demanded).
8. Provide signed copies of Alpha's federal income tax returns for the five most recent years. Please provide copies of all schedules (e.g., Schedule K-1s, consolidating schedules), attachments, and statements. Note that if the company does not file federal income tax returns, please submit copies of the tax returns filed by the entity for which the tax consequences of Alpha Bioenergy, LLC are reflected. The copies should include everything that was submitted to the United States Internal Revenue Service as well as all consolidating statements.
9. Provide all documents that relate to Alpha's future financial performance, including management presentations, member presentations, pro formas, budgets, projected financial statements made in loan applications, financial projections (income statement, statement of cash flows, balance sheets) for the remainder of the current fiscal year and the next fiscal year, or other projections made for any purpose, for the current fiscal year and the next fiscal year, if available.
10. For the five most recent years:
 - a. Provide the number of full-time equivalent employees working for Alpha and
 - b. Identify directors, managers, members, and officers of Alpha.
11. Please explain why Alpha is unable to pay the penalty sought by the United States. Please also state the maximum amount and schedule of payments that Alpha is capable of paying without rendering it unable to pay ordinary and necessary expenses.
12. Please provide any additional information that that Alpha uses to support its claim that it lacks an ability to pay the penalty sought by the United States.
13. Please state whether over the last 5 most recent years Alpha has conducted business under any other names. If Alpha has conducted business under any other names, please list those names.
14. Please have an authorized person or officer of Alpha complete, sign, date, and notarize the attached certificate claiming an inability ability to pay. The notarized certification must state that all responses and information submitted are complete and accurate.

Financial Information Requests to Chandra Yarlagadda:

1. Provide complete and signed copies of the U.S. Federal Income Tax Returns Form 1040 or Form 1040, 1040EZ, 1040A, submitted to the Internal Revenue Service (IRS), including any and all schedules and attachments for the past five (5) most recent years, for Chandra Yarlagadda and all immediate family members. If any of the income, loss, or gain reported on any return was derived from a partnership, trust, or subchapter S source, please provide completed and signed copies of the Form 1065, Form 1041, or Form 1120S Federal Income Tax Returns submitted to the IRS, including all schedules and attachments for the last five (5) years.
2. Sign and date and return with your response the IRS Form 4506-T "Request for Transcript of Tax Return" that authorizes EPA to request information from the IRS regarding the individual's federal income tax returns for Chandra Yarlagadda and all immediate family members.
3. Please complete, sign and date, and return with your response the questionnaire entitled INDIPAY Data Request Form, which is attached as Appendix E.

Appendix D

Confidential Business Information

You may assert a business confidentiality claim covering all or part of the information you provide in response to this Information Request for any business information entitled to confidential treatment under Section 114(c) of the CAA, 42 U.S.C. § 7414, and 40 C.F.R. Part 2, Subpart B. Under Section 114(c) of the CAA, you are entitled to confidential treatment of information that would divulge methods or processes entitled to protection as trade secrets. Under 40 C.F.R. Part 2, Subpart B, reasons of business confidentiality “include the concept of trade secrecy and other related legal concepts which give (or may give) a business the right to preserve the confidentiality of business information and to limit its use or disclosure by others in order that the business may obtain or retain business advantages it derives from its rights in the information.” 40 C.F.R. § 2.201(e).

Information covered by a claim of business confidentiality will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in Section 114(c) of the CAA and 40 C.F.R. Part 2, Subpart B. The EPA will construe your failure to furnish a business confidentiality claim with your response to this Information Request as a waiver of that claim, and the information may be made available to the public without further notice to you.

To assert a business confidentiality claim, you must place on (or attach to) all information you desire to assert as business confidential either a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as “trade secret,” “proprietary,” or “company confidential” at the time you submit your response to this Information Request. Allegedly confidential portions of otherwise non-confidential information should be clearly identified, and may be submitted separately to facilitate identification and handling by the EPA. You should indicate if you desire confidential treatment only until a certain date or until the occurrence of a certain event.

The criteria the EPA will use in determining whether material you claim as business confidential is entitled to confidential treatment are set forth at 40 C.F.R. §§ 2.208 and 2.301. These regulations provide, among other things, that you must satisfactorily show that: 1) the information is within the scope of business confidentiality as defined at 40 C.F.R. § 2.201(e); 2) that you have taken reasonable measures to protect the confidentiality of the information and that you intend to continue to do so; 3) the information is not and has not been reasonably obtainable by legitimate means without your consent; and 4) the disclosure of the information is likely to cause substantial harm to your business’s competitive edge. *See* 40 C.F.R. § 2.208 (a)-(d). Emission data, as defined at 40 C.F.R. § 2.301(a)(2), is expressly not entitled to confidential treatment under 40 C.F.R. Part 2, Subpart B. *See* 42 U.S.C. § 7414(c); 40 C.F.R. § 2.301(e).

If you assert a claim of business confidentiality in connection with information forwarded in response to this Information Request, in accordance with 40 C.F.R. § 2.204(e)(4), the EPA is requesting that you answer the following questions with respect to any information for which you assert a claim of business confidentiality:

1. What specific portions of the information are alleged to be entitled to confidential treatment?
Specify by page, paragraph, and sentence when identifying the information subject to your claim.

2. For what period of time do you request that the information be maintained as confidential, e.g., until a certain date, until the occurrence of a specified event, or permanently? If the occurrence of a specific event will eliminate the need for confidentiality, specify that event. Additionally, explain why the information should be protected for the time period you have specified.
3. What measures have you taken to protect the information claimed as confidential from undesired disclosure? Have you disclosed the information to anyone other than a governmental body or someone who is bound by an agreement not to disclose the information further? If so, why should the information still be considered confidential?
4. Is the information contained in any publicly available material such as the Internet, publicly available databases, promotional publications, annual reports, or articles? Is there any means by which a member of the public could obtain access to the information? Is the information of a kind that you would customarily not release to the public?
5. Has any governmental body made a determination as to the confidentiality of the information? If so, please attach a copy of the determination.
6. For each category of information claimed as confidential, explain with specificity whether disclosure of the information is likely to result in substantial harm to your competitive position. Explain the specific nature of those harmful effects, why they should be viewed as substantial, and the causal relationship between disclosure and such harmful effects. How could your competitors make use of this information to your detriment?
7. Is there any other explanation you deem relevant to the EPA's determination of your business confidentiality claim that is not covered in the preceding questions? If so, you may provide such additional explanation.

You must furnish comments to the above questions concurrent with your response to this Information Request if you have claimed any information as business confidential. *See* 40 C.F.R. § 2.204(e)(2). Pursuant to 40 C.F.R. § 2.205(b)(2), you may request an extension of this deadline. The EPA will construe your failure to furnish timely comments as a waiver of any confidentiality claim, consistent with 40 C.F.R. § 2.204(e)(1). Please submit your comments to:

Natalie Firestine, Attorney-Advisor
U.S. Environmental Protection Agency
Office of Enforcement and Compliance Assurance, 8MSU
1595 Wynkoop Street
Denver, CO 80202

Pursuant to 40 C.F.R. § 2.205(c), you are hereby advised that information you submit as part of your comments may be entitled to confidential treatment if, when it is received by the EPA, it is marked in accordance with 40 C.F.R. § 2.203(b). As required by 40 C.F.R. § 2.204(e)(6), you may assert a business confidentiality claim covering all or part of your response to these questions, as provided in 40 C.F.R. § 2.203(b). By submitting this information, you are consenting to a limited release of any

confidential business information to EPA legal interns pursuant to 40 C.F.R. §2.209(f). The EPA's legal interns are required to sign confidentiality agreements as a requirement of their participation in EPA related matters. Information covered by such a business confidentiality claim will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in Section 114(c) of the CAA and 40 C.F.R. Part 2. The EPA will construe the failure to furnish a confidentiality claim with your comments as a waiver of that claim, and the information may be made available to the public without further notice to you.

Appendix E
INDYPAY Data Request Form

INDIPAY DATA REQUEST FORM

Updated For Model Version 3.6.0 (April 2016)

INSTRUCTIONS

This form requests information regarding the financial status of your household, including spouse and dependents. The data will be used to evaluate your ability to pay for environmental cleanup or the associated penalties. If you need more space for your answers, please attach additional sheets of paper. Note that further documentation may be requested for any of your responses. Any other information you wish to provide supporting your case is welcome, particularly if you feel your situation is not adequately described through the information requested here.

<u>Certification</u>			
Under penalties of perjury, I declare that this statement of assets, liabilities, and other information is true, correct, and complete to the best of my knowledge and belief. I further understand that I will be subject to prosecution by the U.S. Environmental Protection Agency to the fullest extent possible under the law should I provide any information that is not true, correct, and complete to the best of my knowledge.			
Signature:		Date:	
Printed Name:			
Spouse's Signature:		Date:	
Spouse's Printed Name:			
Names of Additional Household Members:			
Street Address:			
City:	State:	Zip:	
County:			

INDIPAY DATA REQUEST FORM

Household Members' Income									
<i>List all forms of income that household members earn, and provide tax returns for last three years.</i>						For income period, specify either: <u>Weekly</u> , <u>Monthly</u> , <u>Quarterly</u> , or <u>Yearly</u> .			
Name									
Relationship to Applicant	Self	Spouse							
Age									
Gender									
Employer									
Years Employed									
Gross (Pre-Tax) Income						W	M	Q	Y
Wages/Salaries									
Sales Commissions									
Investment Income									
Net Business Income									
Rental Income									
Pension Income									
Child Support									
Alimony									
Other (attach description)									

INDIPAY DATA REQUEST FORM

Household Living Expenses					
<i>List household living expenses typical of last year, indicating if any are likely to change significantly in the current year. If you own an operating business, exclude any business expenses; instead, attach any available financial statements for your business.</i>					
					Period
EXPENSE	AMOUNT	W	M	Q	Y
Rent					
Home maintenance					
Transportation (inc. auto maint.)					
Home heating oil, gas, etc.					
Electricity					
Water & sewer					
Telephone					
Food					
Clothing, personal care					
Medical (other than premiums)					
Mortgage payments (principal and interest only)					
Car payments					
Credit card interest					
Educational loan payments					
Other debt payments					
Home insurance					
Life insurance					
Auto insurance					
Medical insurance					
Property taxes					
Federal income taxes (net of any refunds)					
State & local income taxes (net of any refunds)					
FICA					
Other taxes					
Childcare					
Tuition					
Legal or professional fees					
Other (attach description)					

INDIPAY DATA REQUEST FORM

Net Worth			
<i>Provide the following information to the best of your ability. Data should be as current as possible, as well as include spouse and dependents. Estimates are acceptable; if you wish, note such items with an "E." If you are the sole proprietor of a business, please list business assets and liabilities to the extent that the information sought is not already provided in your tax returns, in addition to personal assets and liabilities. Mark these entries with a "B" to identify them as business assets and liabilities.</i>			
	Assets	Liabilities	Comments
Bank Accounts	Balance		
<i>Checking, NOW, Savings, Money Market, CDs etc.</i>			
		N/A	
		N/A	
		N/A	
		N/A	
		N/A	
Financial Investments (stocks, bonds, etc.)	Market Value		
		N/A	
		N/A	
		N/A	
		N/A	
		N/A	
Retirement Funds and Accounts	Market Value		
<i>IRA, 401(k), Keogh, vested interest in company retirement fund, etc.</i>			
		N/A	
		N/A	
		N/A	
		N/A	
		N/A	
Life Insurance Policies (with cash value)	Cash Value		
<i>Whole life, universal life, etc.</i>			
		N/A	
		N/A	
		N/A	
		N/A	
		N/A	
Vehicles Used for Commuting	Market Value	Loan Balance	
<i>Cars, trucks, motorcycles, etc.: list up to two vehicles used for commuting purposes.</i>			
Vehicles (other than for commuting)	Market Value	Loan Balance	
<i>Cars, trucks, motorcycles, recreational vehicles, motor homes, boats, airplanes.</i>			

INDIPAY DATA REQUEST FORM

	Assets	Liabilities	Comments
Primary Residence	Market Value	Mortgage Balance	
Real Estate (other than primary residence)	Market Value	Mortgage Balance	
<i>Lands, buildings, land with buildings.</i>			
Personal Property	Market Value	Debt Balance	
<i>Household goods and furniture, jewelry, art, antiques, collections, precious metals, etc. List only items with a value greater than \$500.</i>			
Credit Cards and Lines of Credit		Balance Due	
	N/A		
	N/A		
	N/A		
	N/A		
	N/A		
Other Debts and/or Assets	Market Value	Debt Balance	
<i>Any other assets and any debts on those assets, plus any other debts owed to individuals, fixed obligations, taxes owed, overdue alimony or child support, etc.</i>			

INDIPAY DATA REQUEST FORM

Additional Information	
<i>For any question that you check off as applicable, provide additional information below or on separate pages, for both yourself and your spouse, as well as for any dependents.</i>	
Reason to believe financial situation will change during the next year?	
Currently selling or purchasing any real estate?	
Property held by other person/entity on applicant's behalf?	
Party in pending lawsuit (other than this enforcement action)?	
Any belongings repossessed in last three years?	
Is applicant a Trustee, Executor, or Administrator?	
Participant or beneficiary of estate or profit-sharing plan?	
Declared bankruptcy in last seven years?	
Receive any type of federal aid or public assistance?	

CERTIFICATE OF MAILING

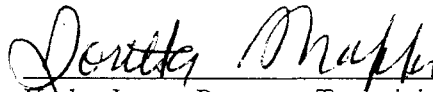
I, Kathy Jones, certify that I sent a Request to Provide Information Pursuant to the Clean Air Act by Certified Mail, Return Receipt Requested, to:

Chandra Yarlagadda, President
Alpha Bioenergy, LLC
5515 Pebbleshire Road
Bloomfield, MI 48301

I also certify that I sent a copy of the Request to Provide Information Pursuant to the Clean Air Act by First-Class Mail to:

Tom Hess, Environmental Manager
Air Quality Division
Michigan DEQ
525 West Allegan Street
P.O. Box 30473
Lansing, MI 48909-7973

On the 18 day of August 2016.


Kathy Jones, Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7014 2870 0001 9580 4404